

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Special Workshop Board Meeting held October 2, 2006

A special workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:19 p.m. by Chairman William B. Hawk on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Donna Speakman, Finance Director; Bill Weaver, Authority Director; Sam Robbins, Public Works Director, Dan Bair, Public Safety Director/Chief of Police; and Brian Luetchford, Parks and Recreation Director.

**Pledge of Allegiance**

Mr. Seeds led the recitation of the Pledge of Allegiance.

**Public Comment**

No public comment was presented.

**OLD BUSINESS**

Review of the strategic planning process being undertaken by the Supervisors and management personnel

Mr. Wolfe noted that he provided a memorandum which summarized the planning process which began in May of 2006. He noted that, at the last meeting, the members prioritized the needs and issues and it was decided that all items above the rank of 2.5 were to be included in the plan. At that time, Supervisors and staff were asked to make suggestions to move up five additional items from the bottom of the list.

**NEW BUSINESS**

Review and ranking of the list of items identified through brainstorming

Mr. Wolfe explained that the nine additional items were added from the lower list. In addition, any item that had been completed was been removed from the list. He noted that there are now only 18 items remaining on the high priority list, with nine additional items added by the Committee members. He noted that the nine items received three or four votes and most were

ranked close to 3.5. He noted that a determination must be made as to what items should be moved up the priority list. He noted that two items, the need to expand the public works building and the liability to fund the GASB 45 liability are in need of further discussion. He noted that a decision should be made if the Board members want to include the GASB 45 item to the list as it will provide for a significant liability for the Township.

Mr. Wolfe questioned if the top 18 items should be included in the strategic plan. Mr. Hawk suggested that the top 18 items, as well as the items rank 3.4 and above, from the second section, should be included. Mr. Wolfe suggested that the items that are ranked 3.2 and 3.3 should also be included. He noted that the relocation of the Conway Road is a somewhat committed item.

Mr. Wolfe explained he added the affected department or departments, and some cost figures for a five-year period for the most recent spreadsheet. In addition he identified the funding source.

Mr. Seeds questioned what the Committee would do if was not satisfied with the ranking for the items.

Mr. Crissman noted that it was good that Board members reviewed the Conway Road issue while on road tour. Mr. Seeds noted that he is not sure how to rectify the problem as some residents along Conway Road are not in favor of the relocation, and the people moving into the Kendale Oaks development may not be in favor of the new road's location.

Mr. Crissman suggested that any project that is an absolute should come off the list. Mr. Wolfe noted that the Linglestown Square Project, Second Consent Decree and Act 537 Plan, Beaver Creek Interceptor and Wet Water Plant, and 2007 Paxton Creek Decision are committed projects. He noted that the 2006 – Three year Vision Plan is somewhat committed, as well as the Conway Road project. Ms. Speakman noted that the Phase III of the Fire Equipment Capital Plan is committed as well.

Mr. Seeds suggested that the Conway and Union Deposit Roads bank problem is more important than building a road through the landfill. Mr. Wolfe noted that it was not identified as an item for the list.

Mr. Crissman suggested that the committed projects should be removed from the list as they are absolutes, and prioritize what is left. He suggested that the dollars have been committed for budgetary purposes; therefore, it would be necessary to see what dollars are remaining to be used. Mr. Seeds noted that funding for the George Park will be necessary for the next three years and he did not think it should be removed from the list. Mr. Wolfe suggested that Mr. Crissman

would like to add another page and not remove or forget the items. Mr. Crissman noted that the Board members have made a commitment to finish the George Park and funds would be budgeted for next year. He noted that the remainder of the list should be reviewed to determine what the budget can handle. Mr. Hawk noted that six items have been removed from the list. Mr. Crissman suggested that that may be all the Township can afford for next year. Mr. Hornung noted that this would show how much money needs to be spent to fulfill these obligations.

Mr. Wolfe noted that the Township has committed to completing the following items: George Park, Lingletown Square project, Second Consent Decree, Beaver Creek Interceptor and Wet Weather Plant, and Paxton Creek Decision. Mr. Crissman questioned if there was a commitment for a Human Resource Manager. Mr. Wolfe noted that the background investigation is almost complete, but no offer of employment has been made at this time. Mr. Seeds questioned if there was a commitment for the comprehensive ongoing sewer maintenance program. Mr. Weaver answered that the Township cannot allow the flows to increase beyond what they already are.

Mr. Wolfe noted that the Township is committed to the Police Department Vision 2006 – Three-Year Staffing plan, subject to the annual review of finances, Phase III of the Fire Equipment Capital Plan, and some type of commitment to the Conway Road relocation. He suggested that that two of these commitments could be modified in some fashion. Mr. Hawk questioned if the Township is committed to CASA and the development of the Wolfersberger Tract. Mr. Wolfe noted that the Township has not committed to anything at this time. Mr. Seeds noted that he did not equate the \$250,000 yearly commitment to the Fire Equipment Capital Plan and the next round of equipment purchases to the ranking process. He noted that the Township has to commit those funds on a yearly basis, and he may not have clearly understood what was requested in the ranking process.

Mr. Wolfe explained that the 5-year plan will always need to be reviewed and discussed but he is attempting to be as complete as possible when designing the original spending plan.

Mr. Hawk noted that he agreed with Mr. Crissman that by removing those projects that are already committed, then the Committee could review the remaining projects and prioritize them. He suggested that staff should cost out the eight committed projects, in order to know how much will be spent, and what would be left for other projects. He suggested that the list could then be prioritized, using the dollar amounts that are available. He noted if there is a need to raise taxes, then there will be a means to explain to the public why this is occurring.

Mr. Seeds noted if South Central Emergency Medical Services (SCEMS) would fold, and the Township would have to take it over, then the citizens would need to know that taxes would have to be raised to undertake this.

Mr. Wolfe noted that Board members need to make a decision soon regarding the Thomas B. George Jr. Park bid. He noted that action must be taken within the next 45 days. He suggested that, in the very near future, the Township would be in a position to offer the Human Resource Manager position to an applicant. In addition, SCEMS has requested a much larger donation from the Township for the new year.

Mr. Seeds questioned if the Human Resource Manager (HRM) would be involved in the hiring process for the Police Department. Mr. Wolfe noted that he would be involved on a limited basis as the Police Department has refined their hiring process over the years. He noted that the HRM would provide counsel and updates on changes in the law. He noted that the HRM would participate in the hiring process for the other departments, to ensure that all procedures and policies are followed.

Mr. Crissman questioned Mr. Wolfe how long it would take him to refine the budget figures. Mr. Wolfe noted that there are some items he could not refine without Board policy. He noted that he did not know how much the Board would want to give to SCEMS.

Mr. Wolfe noted that the installation of the new traffic signals as per the new Comprehensive Plan is hard to price. He explained that he could determine a basic amount for the installation of a generic traffic signal outside of right-of-way issues, but not knowing how many and in what time frame they would be installed would make it hard to come up with a cost for this line item. He suggested that \$¼ million could be set aside each year to complete an intersection, or, a certain amount of funds could be set aside, and then the signal could be completed as soon as there is enough money to do so. Mr. Seeds suggested that the Board of Supervisors would need to know the needs to complete this, and Mr. Wolfe and Chief Bair would know the answer to this question. Mr. Wolfe answered that currently, there are probably at least, 10 intersections that warrant a traffic signal.

Mr. Hornung questioned, if the Township did not pay for a single capital project, and only paid funds to operate the Township for the 2007 budget year, how much money would be left over. Ms. Speakman suggested for the year 2006, it would probably be close to \$1 million. Mr. Hornung questioned if this included the \$250,000 contribution to the Fire Equipment Capital Plan. She answered that it would exclude the transfer to the General Improvement Fund, and, if there were no transfers to other funds, the surplus would be close to \$1 million. Mr. Hornung

questioned, outside of the transfers of funds, with the exception for the Fire Equipment Capital Equipment Fund, what would be left over. Ms. Speakman answered that it would be close to \$650,000.

Mr. Wolfe noted that the Finance Department has been tracking year-end expenses and revenues for the past five years, and two years have resulted in minor deficits, and three years have resulted in surpluses of \$100,000 to \$300,000. Ms. Speakman suggested that it would be higher for the 2006-year, more like \$650,000. Mr. Wolfe noted that the 2006 year revenues are very good as compared to the past five years. Mr. Blain noted that part of the surplus is due to the overlap of the Emergency Medical Services Tax (EMST). Ms. Speakman suggested that this will wash out in the accruals, but she noted that the EMS Tax has been a big money generator for the Township, more than expected.

Mr. Seeds noted that the fee-in-lieu fees are collected to pay for park expansion.

Mr. Hornung questioned that for the year 2007, if the Township has zero money in the bank and used all the tax revenues to pay all the bills, and did no capital improvement, what funds would be left over. Mr. Blain noted that Mr. Hornung wants to know what the operating expenses are. Mr. Hornung noted that this would include the maintenance of George Park, but not improvements. Mr. Hornung noted that he would like the figure for the operating funds, and then use that funds that are remaining to pay for the improvement projects. Ms. Speakman noted that the Township will have over a \$2 million deficit in 2006 for the improvements that were completed this year. She noted before the Township started to do all the extra projects, the income was roughly \$350,000, but the EMS Tax raised that amount.

Mr. Hawk noted that this approach make good sense, to schedule improvements using the surplus fund. Ms. Speakman noted that commitments were made to complete many of these projects; therefore, that is the reason for the deficit.

Mr. Crissman questioned if the amount spent for George Park in 2006 would be less than what is projected to be spent in 2007. He noted that if the amount of funds spent for the eight projects is the same as spent in 2006, then it would be possible to continue the projects in a similar fashion for 2007. Mr. Hornung noted that for the year 2006, the Township is \$2 million in debt, and this continual spending would draw down the General Fund by this amount every year. Mr. Crissman suggested that the Township may not be able to complete the eight prioritized projects using operations funds. Mr. Hornung noted that the alternative is to use funds from the General Fund or to raise taxes.

Mr. Wolfe noted that the George Park commitment is \$350,000 for the 2007 year to complete M Street and the Nyes Road reconfiguration. He noted that the Linglestown Square project is funded outside of the General Fund. He noted that the Sewer projects are funded by the bond funds. Mr. Crissman noted that the funding for the 2006 Vision program is roughly \$81,000 not knowing the outcome of the arbitration decision, and the Fire Equipment Capital Fund is \$250,000 which has already been paid. Mr. Wolfe noted that this fund has been part of the budget for the past 13 years, and is automatically part of the annual operations funds. Mr. Crissman noted that the Conway Road project is still an unknown, but, the additional funds needed are \$350,000 for George Park, \$81,000 for the 2006 Vision Plan, and the implementation of Conway Road relocation.

Mr. Blain suggested taking the current trend line of the base operational expenses and factor that out for the next ten years to determine the increase and do the same for the top line revenues and then come up with a bottom line number of what funds would be left to factor in the committed projects for the next ten years and see what money was left. He noted then this could be factored to see what impact it would have on the General Fund for the next ten years as well. He suggested that this would provide the information for a base discussion on what projects could be completed. Mr. Hornung noted that it could be determined if a tax increase would be warranted for the future. Mr. Blain noted that this would provide for a better point of discussion to determine what projects could be funded.

Mr. Weaver noted that the same thing was done for the Sewer Authority. He noted that the Authority will not have enough money to do what it needs to do. He noted that a decision must be made on the Paxton Creek 2007 decision in order for Mr. Wendle to get started on the project and only \$27 million is left in the fund. He suggested that the Beaver Creek projects could consume all these funds. He noted that the cost factors for spending should be recalculated, and the same configurations should be completed for the Authority for a ten-year projection.

Mr. Blain questioned Ms. Speakman if she could prepare the projections for the next ten years for the next meeting. He suggested that she could project out to 2015 and then provide a summary analysis of the theory behind the projections, for example, a 3% inflation rate for utilities.

Mr. Crissman noted that once the net number is determined, then it would be appropriate to project the funding for these needs and items. He noted that it is important to project multiple years since some projects may need to be funded over several years. Mr. Weaver noted that it is important to note the amount of staffing that may be involved in a capital project in order to plan

according. Mr. Wolfe noted that there is only so much manpower that is able to work on a particular project.

Mr. Blain noted that the calculations are based on known factors for the time, and this is a constantly changing process. He noted that this could not be an exacted calculation, but it is based on what is known at this time. He noted as things change, the forecast would be changed.

Mr. Weaver questioned what the initial goal is for this project. Mr. Blain answered that the goal is to determine how much funds are available to complete the projects without depleting the General Fund. He noted that it must be determined what the best use is for the General Fund monies, and what can be done noting the increase in inflation and energy costs, and how this would impact the Township. He noted that it may be determined that there is a need to increase taxes in the future. Mr. Hornung noted that there are long-range costs associated with the continued maintenance of George Park. He noted that it is easy to determine that additional people should be hired for the Public Works Department, which leads to the building of a larger building for the Public Works Department. He noted that decisions made today, could and will impact future needs for spending. He suggested that there will be a need to raise taxes in the future if the current spending continues.

Mr. Crissman noted that the salaries for staff will increase, and questioned what would the maintenance costs be for all the projects that the Township completes. He noted there is a need for level debt service, but if a year occurs when the mortgage payment is increased, that would reduce the amount of funds to work with. He noted that all these factors must be included in the forecast projections.

Mr. Weaver suggested if yearly improvements are not made for traffic signalization, then the problems will be overwhelming, therefore this item should be moved up the priority list. He noted that this is similar to staging out the maintenance for the sewer system over a period of time.

Mr. Hornung questioned if data was available which lists the failing traffic signal intersections. Chief Bair noted that he does not have the information on the failing status, but he knows what intersections need to be updated. Mr. Wolfe noted that a large number of traffic studies have been submitted by developers showing substandard intersections in which the Township has accepted a contribution. He noted that Colonial Road and Valley Road; Crums Mill and Colonial Road; Londonderry at Arlington Avenue; Londonderry at Avila Road; and many others are in need of upgrades or traffic signals, but he noted that there is no requirement to signalize a sub-standard intersection.

Mr. Hornung noted that the number one complaint from the residents is traffic and mobility and it must be addressed. He suggested that people would be willing to pay more in taxes to correction the situation. Mr. Weaver noted that most traffic signals are an improvement, but many people do not like them. Mr. Crissman noted that once it is determined how much money is available, then the money could be spent on the prioritized items. Mr. Wolfe noted that the Committee wants to do certain things, and the money could by funded by the General Fund, Operating Budget, tax increases, or borrowing. Mr. Crissman suggested if a tax increase was needed, then the Township could explain what it plans to do with the current fund balance in the General Fund. He noted that people would be happy if they knew the tax increase was going to fix traffic lights.

Mr. Blain noted that it would be good to identify what the taxation structure would be for the next five to ten years. He noted that it is better to determine this now, and not levy the tax payer with a 20% tax increase because the Board members failed to plan ahead. He noted that the Board of Supervisors enacted an ordinance to hold 25% of any year's budget for an emergency fund. He noted that that restricts the spending of \$5 million, and only allows \$3.5 million to spend for capital projects. Mr. Blain noted that the prioritized times would draw the funds down very quickly.

**Mr. Wolfe suggested that** Mr. Hoffer would offer that capital projects that need to be completed should not be funded out of the savings account, rather from the current tax rate, or by borrowing money to spread the capital costs over the lifetime or use of the equipment. Mr. Blain noted that you cannot borrow money unless you have the capital to back it up. Mr. Wolfe suggested that it may be difficult to borrow money if a significant GASB -45 liability is hanging out there. Mr. Wolfe noted if the GASB 45 is funded it would make it much easier for an arbitrator to add to, as opposed to an unfunded account. He noted that the financial books would show how much money the Township has in the bank.

Mr. Wolfe suggested that the next meeting could be scheduled for October 24, 2006 at 5:30 pm.

Ms. Wolfe noted that, at staff level, he must finish the individual department budgets and some additional information is needed from the department heads to complete this.

Mr. Robbins explained that many of the traffic signals are old and need to be updated. He noted that the signal at Route 22 and Colonial Road may need to be replaced with a mast arm. Mr. Wolfe suggested that the Township should make that traffic signal last as long as it can since



PENNDOT is considering renovations to that intersection as part of the Master I-83 Plan. Mr. Seeds noted that that traffic signal may be eliminated.

Mr. Crissman noted if traffic signals need to be replaced, then a line item should be added to the budget to budget a certain amount of funds each year for this project. He noted that a replacement plan should be created to replace the needed lights. Mr. Crissman noted that the Police budget must have a line item for the replacement of the vehicles.

Mr. Wolfe noted that he scheduled a meeting with Mr. Harbeson from the Capital Tax Collection Bureau (CTCB) for tomorrow night to discuss the budget and other issues.

Mr. Seeds questioned if the CTCB found an extra \$350,000 that belonged to the Township. Ms. Speakman explained that CTCB advances money and then takes the money back when they receive the actual returns. She explained that the funds were advanced, and then taken back under the assumption that they had received the final returns, but did this in error. Ms. Speakman noted that these are funds that the Township should have received but did not. Mr. Crissman requested Ms. Speakman to attend this meeting. Mr. Hawk agreed that it was important for Ms. Speakman to be present.

#### **ADJOURNMENT**

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 8:35p.m.

Respectfully submitted,

Maureen Heberle

Approved by,

Gary A. Crissman  
Township Secretary